



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**BY E-MAIL AND USPS**

Charles R. Spies, Esq.  
Sloane Skinner Carlough, Esq.  
Clark Hill PLC  
1001 Pennsylvania Ave. NW  
Suite 1300 South  
Washington, DC 20004  
[espies@ClarkHill.com](mailto:espies@ClarkHill.com)  
[scarlough@ClarkHill.com](mailto:scarlough@ClarkHill.com)

JUL 16 2019

RE: MUR 7292  
Clifford B. Stearns, *et al.*

Dear Mr. Spies and Ms. Carlough:

On July 11, 2019, the Federal Election Commission (the "Commission") accepted the signed conciliation agreement submitted on your client's behalf in settlement of a violation of 52 U.S.C. § 30114(b), a provision of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. *See* Disclosure of Certain Documents in Enforcement and Other Matters, 81 Fed. Reg. 50,702 (Aug. 2, 2016). Information derived in connection with any conciliation attempt will not become public, without the written consent of the respondent and the Commission. *See* 52 U.S.C. § 30109(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Wanda D. Brown  
Attorney

Enclosure  
Conciliation Agreement

10044473494

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 )  
Clifford "Cliff" B. Stearns ) MUR 7292  
Friends of Cliff Stearns and Joan Stearns in her )  
official capacity as treasurer )

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized complaint by Brendan M. Fischer, Campaign Legal Center. The Federal Election Commission (the "Commission") found reason to believe that Clifford "Cliff" B. Stearns and Friends of Cliff Stearns and Joan Stearns in her official capacity as treasurer violated 52 U.S.C. § 30114(b).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 52 U.S.C. § 30109(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Clifford "Cliff" B. Stearns was a member of the U.S. House of Representative from Florida's 6th Congressional District from 1989 to 2013. Stearns has not been a candidate for any federal office at any time since losing the Republican primary in August 2012.

2. Friends of Cliff Stearns was the principal campaign committee for Stearns within the meaning of 52 U.S.C. § 30101(5). Joan Stearns is the treasurer of Friends of Cliff Stearns.

3. The Act affords federal candidates and their campaign committees wide discretion in the disposition of their campaign funds and provides that contributions accepted by a candidate may be used in several categories of permissible non-campaign uses of campaign funds, including the "ordinary and necessary expenses incurred in connection with duties of the individual<sup>1</sup> as a holder of Federal office." Such expenses include the "costs of winding down the office of a former Federal officeholder for a period of 6 months after he or she leaves office."<sup>2</sup> Commission regulations specify that any use of funds that would be personal use "will not be considered . . . an ordinary and necessary expense incurred in connection with the duties of a holder of Federal office."<sup>3</sup>

4. Conversion to personal use occurs when funds in a campaign account are used "to fulfill any commitment, obligation, or expense of a person that would exist irrespective of the candidate's election campaign or individual's duties as a holder of Federal office."<sup>4</sup> The Act and Commission regulations further set forth certain uses of campaign funds that constitute *per se* conversion to personal use, including utility payments, non-campaign-related automobile expenses, and dues and fees for health clubs, recreational facilities, or other nonpolitical organizations unless they are part of the costs of a specific fundraising event taking place on

---

<sup>1</sup> 52 U.S.C. § 30114(a)(2).

<sup>2</sup> 11 C.F.R. § 113.2(a)(2).

<sup>3</sup> 11 C.F.R. § 113.1(g)(5).

<sup>4</sup> See 52 U.S.C. § 30114(b)(2); see also 11 C.F.R. § 113.1(g).

those premises.<sup>5</sup> Similarly, an otherwise permissible charitable donation to a tax-exempt organization would constitute personal use if the candidate receives compensation from the recipient organization before it has expended the entire amount donated for purposes unrelated to the candidate's personal benefit.<sup>6</sup>

5. Candidates and their committees may use campaign funds to make donations to tax-exempt organizations described in section 170(c) of the Internal Revenue Code and for "any other lawful purpose" that does not convert the funds to personal use.<sup>7</sup> For all other disbursements, the Commission determines on a case-by-case basis whether a given campaign fund disbursement is personal use by applying the "irrespective test," that is, whether the payment fulfills a commitment, obligation, or expense that would exist irrespective of the candidate's campaign or duties as a federal officeholder.<sup>8</sup> The Commission has stated that "[i]f the candidate can reasonably show that the expenses at issue resulted from campaign or officeholder activities, the Commission will not consider the use to be personal use."<sup>9</sup>

<sup>5</sup> 52 U.S.C. § 30114(b)(2)(A)-(I); 11 C.F.R. § 113.1(g)(1)(i); see also Expenditures; Reports by Political Committees; Personal Use of Campaign Funds, 60 Fed. Reg. 7862, 7866 (Feb. 9, 1995) ("Personal Use E&J") (explaining that club membership fee provision at 11 C.F.R. 113.1(g)(1)(i)(G) does not "limit legitimate campaign related or officeholder related activity" and "allows a candidate or officeholder to use campaign funds to pay membership dues in an organization that may have political interests. This would include community or civic organizations that a candidate or officeholder joins in his or her district in order to maintain political contacts with constituents or the business community.").

<sup>6</sup> 11 C.F.R. § 113.2(b).

<sup>7</sup> See 52 U.S.C. § 30114(a)(3), (6); 11 C.F.R. § 113.2(b), (e).

<sup>8</sup> 11 C.F.R. § 113.1(g)(1)(ii).

<sup>9</sup> See Personal Use E&J, 60 Fed. Reg. at 7863-64.

6. The Committee spent campaign funds for a variety of purposes after Stearns ceased being a candidate in 2012 and a federal officeholder in 2013. The disbursements set forth below were for Stearns's personal use, and thus were in violation of 52 U.S.C. § 30114(b).

7. Between 2014 and 2017, the Committee paid \$7,890 to Awakening, Inc., at least some of which was for conference attendance fees and meals at Awakening, Inc., conferences. Stearns was neither a candidate nor a federal officeholder at the time the disbursements were made, and the expenses would have existed irrespective of Stearns's position as a former officeholder. Therefore, these disbursements made to Awakening, Inc., were made for Stearns's personal use.

8. Between 2014 and 2017 the Committee paid \$4,118.95 to the National Republican Club of Capitol Hill ("Capitol Hill Club") for membership fees and club expenses. Stearns was neither a candidate nor a Federal officeholder at the time the disbursements were made, and the expenses would have existed irrespective of Stearns's position as a former officeholder. Therefore, these disbursements made to the Capitol Hill Club were made for Stearns's personal use. Stearns reimbursed the amount paid to the Capitol Hill Club in three payments, one made on October 18, 2017, for \$917.53, another on November 20, 2017, for \$1,102.42, and the final payment for \$2,099 on June 13, 2019.

9. On June 7, 2017, the Committee paid for credit card charges that included a \$230.45 charge for lodging for Stearns when he traveled to Jacksonville, Florida to present a contribution to an elementary school. Stearns was neither a candidate nor a Federal officeholder at that time, and the expense would have existed irrespective of Stearns's position as a former officeholder. While the contribution to the school is permissible, the cost of lodging is for Stearns's personal benefit rather than a charitable donation within the scope of 11 C.F.R. § 113.1(g)(2) and therefore is personal use.

10. Respondents contend that the violations were inadvertent.

V. Respondents violated 52 U.S.C. § 30114(b) by using Committee funds to make disbursements for personal use. Respondents will cease and desist from violating 52 U.S.C. § 30114(b).

VI. 1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Six Thousand Nine Hundred Dollars (\$6,900), pursuant to 52 U.S.C. § 30109(a)(5)(A).

2. Clifford Stearns will refund \$8,120.45 to the Committee for unreimbursed disbursements made for the Stearns's personal use.

3. The Committee will disclose these reimbursements from Stearns, as well as the previous reimbursements made for payments made to the Capitol Hill Club, in its disclosure reports filed with the Commission.

VII. The Commission, on request of anyone filing a complaint under 52 U.S.C. § 30109(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.


16044473499

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lisa J. Stevenson  
Acting General Counsel

BY:

  
Charles Kitcher  
Acting Associate General Counsel

7/15/19  
Date

FOR THE RESPONDENTS:

  
Charles R. Spies  
Counsel

June 14, 2019  
Date

100044744000